



PERISCOPE

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Quad/Graphics Redefines Future of Integrated Marketing with Planned Acquisition of Leading Creative Agency Periscope

Combination Will Help Brands More Effectively Connect Every Touch Point on the Consumer Journey

SUSSEX, Wis., and MINNEAPOLIS, Minn., November 27, 2018 — Quad/Graphics, Inc. (NYSE: QUAD) (“Quad/Graphics” or “Quad”), a leading marketing solutions provider, today announced that it is redefining the future of integrated marketing with its planned acquisition of Periscope, one of the nation’s top five independent creative agencies by annual revenue. The business combination will create a highly efficient global platform for creating marketing campaigns and programs – from strategy and creative through execution – across all media channels.

The transaction has been approved by both companies’ boards of directors and is expected to close in early 2019. Under terms of the agreement, Quad/Graphics will purchase Periscope for \$132.5 million.

“We are redefining the future of integrated marketing at a time of substantial disruption when clients are looking for less complexity, greater transparency and accountability from their business partners,” said Joel Quadracci, Chairman, President & CEO of Quad/Graphics. “With Periscope, we will create a truly integrated, end-to-end marketing platform that we believe will create more value than the traditional siloed agency approach that exists today. Periscope will turbo-charge our existing offering with its world-class capabilities in strategy, including media buying and analytics, creative and account management. Additionally, Periscope’s first-rate packaging design and premedia services will complement our robust print-production capabilities.”

Quad’s acquisition of Periscope supports and accelerates the company’s ongoing Quad 3.0 transformation as an integrated marketing solutions provider that reduces complexity, and improves process efficiencies and marketing spend effectiveness. “We have been taking a disciplined approach to implementing our transformation strategy over the past few years,” Quadracci said. “Periscope is an important next step in our journey, significantly adding to the capabilities from our recent investments in Rise Interactive and Ivie & Associates.”

Established in 1994 by Bill Simpson, Periscope was built on the success of the Simpson family typesetting and production company, which was originally established in 1960. Simpson transformed the family-owned business into today’s multifaceted creative company by assembling some of the best talent in the industry and letting them shine in a culture that encourages fun, hard work and intrapreneurship.



Bill Simpson, Chairman and Owner of Periscope, noted that Quad is the ideal choice for Periscope's future. "Our companies share a common vision for the future of integrated marketing and operate with very similar values," he said. "Quad's 3.0 strategy mirrors Periscope's vision for an end-to-end solution, but on a much larger scale. The result of this business combination will be tremendous growth opportunities for our people, Periscope and Quad, and provide significant additional value for our clients. I'm excited to see what can be accomplished together."

Elizabeth Ross, President & CEO of Periscope, said: "Quad allows us to accelerate the creation of the agency of the future by removing silos to help our clients seamlessly move from idea to execution. Brand owners have been very receptive to this approach because it provides fully integrated marketing solutions at the scale and speed they require. We already proudly serve some of the most iconic brands in the nation, and we look forward to partnering with the substantial number of brands in Quad's portfolio."

Ross, an experienced advertising executive who has worked for some of the world's most innovative and fastest-growing agencies, will join Quad along with her team of highly experienced visionary leaders once the acquisition closes early next year. "Liz is a creative and business powerhouse, and we are excited to have her and her team join Quad as we redefine the future of integrated marketing," said Eric Ashworth, Executive Vice President of Product Solutions & Market Strategy for Quad/Graphics. "Periscope has exceptional talent – great people with a client-centric approach, focused on innovation. Together, our companies encompass the very best creators and makers and will create more value for all our stakeholders."

Periscope is headquartered in Minneapolis and also has offices in Chicago, Hong Kong and Delhi. The agency employs more than 500 people and offers a comprehensive portfolio of integrated solutions that solve business problems. Among Periscope's recent recognitions are the Jay Chiatt Award for its strategic work on BASF and creative accolades including honors from London International Awards, Graphis Design Awards, Digiday Awards and Addy Awards.

Forward-Looking Statements

This press release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include statements regarding, among other things, our current expectations about the Company's future results, financial condition, revenue, earnings, free cash flow, margins, objectives, goals, strategies, beliefs, intentions, plans, estimates, prospects, projections and outlook of the Company and can generally be identified by the use of words or phrases such as "may," "will," "expect," "intend," "estimate," "anticipate," "plan," "foresee," "project," "believe," "continue" or the negatives of these terms, variations on them and other similar expressions. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results to be materially different from those expressed in or implied by such forward-looking statements. Forward-looking statements are based largely on the Company's expectations and judgments and are subject to a number of risks and uncertainties, many of which are unforeseeable and beyond our control.

The factors that could cause actual results to materially differ include, among others: the impact of decreasing demand for printed materials and significant overcapacity in the highly competitive commercial printing industry creates downward pricing pressures and potential underutilization of assets; the impact of electronic media and similar technological changes, including digital substitution by consumers; the inability of the Company to reduce



costs and improve operating efficiency rapidly enough to meet market conditions; the impact of changing future economic conditions; the failure of clients to perform under contracts or to renew contracts with clients on favorable terms or at all; the impact of increased business complexity as a result of the Company's transformation into a marketing solutions provider; the impact of regulatory matters and legislative developments or changes in laws, including changes in cyber-security, privacy and environmental laws; the impact of fluctuations in costs (including labor and labor-related costs, energy costs, freight rates and raw materials) and the impact of fluctuations in the availability of raw materials; the failure to attract and retain qualified production personnel; the impact of changes in postal rates, service levels or regulations; the fragility and decline in overall distribution channels, including newspaper distribution channels; the failure to successfully identify, manage, complete and integrate acquisitions and investments; the impact of risks associated with the operations outside of the United States, including costs incurred or reputational damage suffered due to improper conduct of its employees, contractors or agents; significant capital expenditures may be needed to maintain the Company's platform and processes and to remain technologically and economically competitive; the impact of the various restrictive covenants in the Company's debt facilities on the Company's ability to operate its business; the impact on the holders of Quad/Graphics class A common stock of a limited active market for such shares and the inability to independently elect directors or control decisions due to the voting power of the class B common stock; the impact of an other than temporary decline in operating results and enterprise value that could lead to non-cash impairment charges due to the impairment of property, plant and equipment and other intangible assets; and the other risk factors identified in the Company's most recent Annual Report on Form 10-K, as such may be amended or supplemented by subsequent Quarterly Reports on Form 10-Q or other reports filed with the Securities and Exchange Commission.

Except to the extent required by the federal securities laws, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

About Quad/Graphics

Quad/Graphics (NYSE:QUAD) is a leading marketing solutions provider. The Company leverages its strong print foundation as part of a much larger, robust integrated marketing platform that helps marketers and content creators improve the efficiency and effectiveness of their marketing spend across offline and online media channels. With a consultative approach, worldwide capabilities, leading-edge technology and single-source simplicity, Quad has the resources and knowledge to help a wide variety of clients in multiple vertical industries, including retail, publishing and healthcare. Quad provides a diverse range of digital and print and related products, services and solutions from multiple locations throughout North America, South America and Europe, and strategic partnerships in Asia and other parts of the world. For additional information visit www.QG.com.

About Periscope

Periscope is one of the largest independent creative agencies in the nation and offers a full spectrum of marketing services to a wide range of acclaimed brands, including Arctic Cat, Autotrader, BASF, Bridgestone, Cox Communications, Intuit, Kelley Blue Book, Krispy Kreme, Petco, Red Robin, Target, Toro, Trolli, UnitedHealth Group, Walgreens and more. Learn more at www.periscope.com.



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